



ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

**AUG 30 2004**

Mr. Randell Iwasaki, Interim Director  
Department of Transportation  
1120 N Street  
Sacramento, CA 95814

Dear Mr. Iwasaki:

**The Project Resource and Scheduling Management Project—Value Analysis Report,  
Project Number 2660-160**

The Department of Finance (Finance) has completed its review of the Department of Transportation's (Caltrans) Project Resource and Scheduling Management (PRSM) Project Value Analysis Report. The Value Analysis is the first phase of the Caltrans PRSM Work Plan approved by Finance on March 17, 2004. Based on our review, Caltrans is approved to proceed with the Market Analysis phase of the Work Plan.

In the Value Analysis Report Caltrans identifies the minimum essential requirements it believes are necessary to ensure project success. In addition, the Value Analysis Report identifies the relative value of additional desired functionality, beyond the minimum essential requirements, for the purposes of evaluating vendor proposals.

Finance understands that Caltrans, with assistance from the Department of General Services, will perform the following steps during the Market Analysis:

- Develop a Request for Qualifying Information (RFQI) document identifying the minimum essential requirements as well as additional desired functionality for a PRSM solution. The RFQI will provide vendors the opportunity to identify the availability, suitability, and estimated costs of PRSM solutions in the marketplace.
- Develop an RFQI Scoring Document to evaluate the vendor responses.
- Develop a list of qualified vendors that will be invited to participate in a future PRSM procurement, pending the requisite approval to conduct a PRSM procurement effort.
- Document the results in a Market Analysis Report.

To the extent possible, Finance expects the Market Analysis Report to clearly document vendor solutions and costs for meeting the minimum essential requirements separate from those specific to any additional desired functionality. Finance expects Caltrans to structure its RFQI accordingly.

Mr. Randell Iwasaki

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Upon completion of this phase of the Work Plan, Caltrans will submit the Market Analysis Report to Finance for review. Caltrans shall not proceed with any subsequent PRSM Work Plan activities, beyond the Market Analysis, without written approval from Finance.

Any questions regarding the PRSM Project, the PRSM Work Plan, or the instructions identified above should be referred to Richard Gillihan, Technology Investment Review Unit at (916) 445-1777 ext. 3223, or via electronic mail at richard.gillihan@dof.ca.gov.

Sincerely,



Debbie D. Leibrock, Chief  
Technology Investment Review Unit



Connie Squires, Program Budget Manager  
Business, Transportation, and Housing Unit

cc: Mr. Michael Liang, Deputy Secretary for Information Technology, Business, Transportation, and Housing Agency  
Ms. Barbara Timmer, Chief Information Officer, Department of Transportation  
Ms. Ann Evans, Chief, Information Technology Program and Project Management Division, Department of Transportation  
Mr. Nigel Blampied, PRSM Project Manager, Department of Transportation  
Ms. Anna Brannen, Principal Fiscal and Policy Analyst, Legislative Analyst's Office  
Ms. Sue Bost, Assistant Program Budget Manager, Department of Finance  
Ms. Kathryn Amann, Principal Program Budget Analyst, Department of Finance  
Mr. Mark Monroe, Budget Analyst, Department of Finance  
Mr. Andrew Ruppenstein, Budget Analyst, Department of Finance